Shares of BPCL and HPCL for domestic and international market

†233. SHRIMATI KUM KUM RAI: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether Government have fixed the percentage of shares of BPCL and HPCL to be issued in domestic and international market;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) to (c) The Government have decided to disinvest 34.01 % equity shares in Hindustan Petroleum Corporation Limited (HPCL) through strategic sale and 35.20% equity shares in Bharat Petroleum Corporation Limited (BPCL) through public offer in the domestic and international market. In addtion, it has been decided to offer 5% equity shares each in both the companies through Employees Stock Purchase Scheme (ESPS) to the employees.

Differences on disinvestment

234. SHRI PREM CHAND GUPTA: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether it is a fact that Government continue to be divided on the policy on disinvestment with a strong lobby objecting to the disinvestment of profit making PSUs;

(b) whether sick PSUs' only asset is the real estate on which they are located and these factors should be given the maximum weightage in the evaluation; and

(c) if so, Government's views in this regard?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) No. Sir.

(b) and (c) The PSUs including sick PSUs are valued using the following methods in keeping with the best market practices.

1. Discounted Cash Flow Method

2. Balance Sheet Method

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†Original notice of the question was received in Hindi.

3. Transaction Multiple Method

4. Asset Valuation Method

The first three methods are generally used for valuation of a going concern, while the Asset Valuation method is more appropriate when a company is being liquidated.

Slow disinvestment process

235. SHRI PREM CHAND GUPTA: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether it is a fact that Government have scaled down the number of transactions it hopes to complete during the current fiscal years;

(b) whether it is also a fact that even though Government expect to close the transaction of 13 companies by March 2003, some major PSUs like Maruti Udyog Ltd., National Fertilizers Ltd. and Hindustan Organic Chemicals Ltd. have still a long way to go; and

(c) if so, the actual position on the disinvestment plan for this financial year?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) and (b) Disinvestment is dependent on a number of market related external factors, which can cause delay in completion of the disinvestment process. There are 45 cases in which disinvestment decision have been taken and disinvestment is in progress. The 'Offer for sale' of shares in Maruti Udyog Ltd. and disinvestment in National Fertilizers Ltd. are likely to be completed by June, 2003. Disinvestment in Hindustan Organic Chemicals Ltd. is also expected to be completed soon.

(c) During 2002-03,15 cases of disinvestment were completed and the total realisation from disinvestment of shares was about Rs. 3,342 crore.

Interest of SCs/STs in disinvested PSUs

236. SHRI SURESH PACHOURI: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether disinvested PSUs no longer feel obliged to fill up posts reserved for SCs and STs; and